

## HB 1722 -- Proprietary Schools

Sponsor: Thomson

This bill changes the laws regarding proprietary schools. In its main provisions, the bill:

- (1) Allows a proprietary school that has been in operation for at least five years to apply for a two-year certificate of approval;
- (2) Increases the base fee for an annual certificate of approval from one-tenth of a cent to thirteen-tenths of a cent per \$1 of net tuition and fees income with a maximum fee of \$5,000 and a minimum fee of \$500 per school. The Coordinating Board for Higher Education may increase the base fee and the minimum and maximum amounts by administrative rule every five years, beginning in Fiscal Year 2013, to no more than the federal Consumer Price Index since the last fee increase;
- (3) Allows the coordinating board to establish fees through administrative rule for generating enough funding to cover the costs associated with the certification program, with the advice of the Proprietary School Advisory Committee;
- (4) Creates the Proprietary School Certification Fund to fund the costs associated with the operation of the program;
- (5) Increases the maximum bond for a proprietary school from \$25,00 to 100,000;
- (6) Requires the Department of Higher Education to collect only that data needed to supervise the proprietary program and to, upon appropriations, provide a system for the electronic submission of all data;
- (7) Requires new program proposals to be reviewed within 90 days of submission from a certified school. If the review has not occurred in that period, the program may be offered until and unless the department completes its review and identifies a substantive issue for correction. The school will have 90 days after notification of the deficiency to correct the deficiency without ceasing to offer the program;
- (8) Requires at least three of the seven members of the Proprietary School Advisory Committee to represent degree-granting schools and at least one of the three to represent a school that confers a bachelor's degree or higher; and
- (9) Allows the department to take action against any violation

of the proprietary school laws that is authorized in Section 407.020, RSMo, relating to unlawful merchandising practices.